

**STATE OF MARYLAND**

**Request for Proposals**

**Group Long Term Care Insurance**

**Solicitation No. F10R6200016**



**DEPARTMENT OF  
BUDGET & MANAGEMENT**

**Employee Benefits Division**

**Issue Date: August 9, 2005**

**NOTICE**

Prospective Offerors who have received this document from the Department of Budget and Management's web site or eMarylandMarketplace.com, or who have received this document from a source other than the Procurement Officer, and who wish to assure receipt of any changes or additional materials related to this RFP, should immediately contact the Procurement Officer and provide their name and mailing address so that amendments to the RFP or other communications can be sent to them.

**STATE OF MARYLAND  
NOTICE TO OFFERORS/CONTRACTORS**

In order to help us improve the quality of State proposal solicitations, and to make our procurement process more responsive and business friendly, we ask that you take a few minutes and provide comments and suggestions regarding the enclosed solicitation. Please return your comments with your proposals. If you have chosen not to bid on this contract, please fax this completed form to: 410-974-3274 to the attention of Edward Bannat.

**Title:           Group Long Term Care Insurance**  
**Project No:   F10R6200016**

1. If you have responded with a "no bid", please indicate the reason(s) below:

- Other commitments preclude our participation at this time.
- The subject of the solicitation is not something we ordinarily provide.
- We are inexperienced in the work/commodities required.
- Specifications are unclear, too restrictive, etc. (Explain in REMARKS section.)
- The scope of work is beyond our present capacity.
- Doing business with Maryland Government is simply too complicated. (Explain in REMARKS section.)
- We cannot be competitive. (Explain in REMARKS section.)
- Time allotted for completion of the bid/proposals is insufficient.
- Start-up time is insufficient.
- Bonding/Insurance requirements are restrictive. (Explain in REMARKS section.)
- Bid/Proposals requirements (other than specifications) are unreasonable or too risky. (Explain in REMARKS section.)
- MBE requirements. (Explain in REMARKS section.)
- Prior State of Maryland contract experience was unprofitable or otherwise unsatisfactory. (Explain in REMARKS section.)
- Payment schedule too slow.
- Other: \_\_\_\_\_

2. If you have submitted a bid or proposal, but wish to offer suggestions or express concerns, please use the Remarks section below. (Use reverse or attach additional pages as needed.)

REMARKS: \_\_\_\_\_

\_\_\_\_\_

Offeror Name: \_\_\_\_\_ Date \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Address: \_\_\_\_\_

**KEY INFORMATION SUMMARY SHEET**

**STATE OF MARYLAND**

**Request For Proposals**

**GROUP LONG TERM CARE INSURANCE**

**PROJECT NUMBER F10R6200016**

**RFP Issue Date:** August 9, 2005

**RFP Issuing Office:** Department of Budget and Management  
Employee Benefits Division (EBD)

**Procurement Officer:** Mr. Edward Bannat  
Office Phone: (410) 260-7662  
Fax: (410) 974-3274  
e-mail: ebannat@dbm.state.md.us

**Proposals are to be sent to:** Department of Budget and Management  
45 Calvert Street, Room 141  
Annapolis, MD 21401  
Attention: Ed Bannat

**Pre-Proposal Conference:** Thursday, August 25, 2005, 9:00AM (Local Time)  
Judiciary Training Center  
2009D Commerce Park Drive  
Annapolis, MD 21401  
For directions: [www.courts.state.md.us/  
directions/jtcdirections.html](http://www.courts.state.md.us/directions/jtcdirections.html)

**Closing Date and Time:** Tuesday, September 13, 2005, 2:00PM (Local Time)

**NOTE**

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ATTACHMENT E State Data Security Policy..... (State LTC Attachments.doc)  
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# SECTION 1 - GENERAL INFORMATION

## 1.1 Summary Statement

The Department of Budget and Management is issuing this Request for Proposals (RFP) for Long Term Care Insurance for Maryland State Employees. The State of Maryland is seeking a vendor to provide an equitable, affordable program of insurance for long term care services that proactively addresses the ever-changing and varied needs of its employees.

Please note that Aon Consulting, as the State's benefits consultant, is assisting the State in this procurement.

## 1.2 Abbreviations and Definitions

For purposes of this RFP, the following abbreviations or terms have the meanings indicated below:

- a. **ADL** – means Activities of Daily Living
- b. **COMAR** - means Code of Maryland Regulations.
- d. **Contractual Employee** - means a non-permanent employee of the State of Maryland who is not eligible for State subsidy of benefits, but is eligible to enroll in the State of Maryland Employee and Retiree Health and Welfare Benefits Program, paying full premium costs.
- e. **DBM** - means the Department of Budget and Management.
- f. **Dependent** – means a spouse, natural children, stepchild, legally adopted child, or legal ward of an eligible member who is also a tax dependent of the employee, as defined in and made eligible for benefits by COMAR 17.04.13.03.A(11).
- g. **Direct Pay Enrollee** - means an individual who is billed directly by the Department of Budget and Management for selected benefits, including COBRA Participants, Leave of Absence Participants, Contractual Employees and Part-Time Employees.
- h. **EBD** - means Employee Benefits Division.
- i. **FMLA** – means Family Medical Leave Act.
- j. **FTE** – means Full-Time Equivalent
- k. **Leave of Absence** - means the period of time a permanent employee has elected non-paid leave of absence from State of Maryland employment. During this time, the employee is not eligible for State subsidy of benefits (unless the leave is authorized FMLA leave), but is eligible to continue participation in certain benefits provided by the State of Maryland while on a leave of absence.
- l. **Local Time** - means Eastern Time as observed in the State of Maryland.
- m. **MBE** - means a Minority Business Enterprise that is certified as such by the Maryland Department of Transportation.
- n. **Participant** - means all eligible individuals who are enrolled in the plan.
- o. **Part-Time Employee** - means a permanent employee who works less than fifty percent of the standard workweek and is not eligible for state subsidy of benefits, but is eligible to enroll in the State of Maryland Employee and Retiree Health and Welfare Benefits Program.
- p. **Plan Year** – means the 12-month period beginning July 1 and ending June 30 of the next calendar year.
- q. **RFP** - means this Request for Proposals for Group Long Term Care Insurance.

- r. **Satellite Account Employee** - means an employee of a political subdivision, agency, commission, or organization that is permitted by Maryland law to participate in the State of Maryland Employee and Retiree Health and Welfare Benefits Program.
- s. **State** – means the State of Maryland.
- t. **Subcontractor** - means an organization or entity that the Offeror plans to utilize for the purposes of services covered under this contract.
- u. **TTY/TDD** - means a telephone device used by hearing impaired individuals whereby they communicate via telephone connected to a keyboard and screen.

### 1.3 Scope

The State is soliciting proposals for one vendor to provide voluntary group Long Term Care insurance for all eligible participants as described in the RFP. This is a **participant pay-all** plan. The State's contract with the current LTC vendor expires on June 30, 2006. The vendor who is awarded the contract pursuant to this RFP will be required to provide insurance coverage with an effective date of coverage beginning July 1, 2006, and begin the necessary implementation services in early 2006.

### 1.4 Contract Type

The contract that results from this RFP shall be a fixed unit price, infinite quantity contract as provided in COMAR 21.06.03.02A(2) and 21.06.03.06.

### 1.5 Contract Duration

The period for selling insurance under the contract resulting from this RFP shall be for a period of about five (5) years beginning upon award of the contract (approximately January 2006). The term of the contract shall include five (5) plan years beginning July 1, 2006.

### 1.6 Procurement Officer

The sole point of contact at the State for purposes of this RFP, prior to the award of any contract, is the Procurement Officer at the address listed below:

Edward Bannat, Procurement Officer  
Department of Budget and Management  
45 Calvert Street/ First Floor, Room 141  
Annapolis, Maryland 21401  
Telephone #: 410 - 260 - 7662  
Fax #: 410 - 974 - 3274  
E-mail: ebannat@dbm.state.md.us

### 1.7 Pre-Proposal Conference

A Pre-Proposal Conference will be held on Thursday, August 25, 2005 , beginning at 9:00AM at the Judiciary Training Center, 2009D Commerce Park Drive, Annapolis MD 21401. Attendance at the Pre-Proposal Conference is not mandatory, but all interested Offerors are encouraged to attend in order to facilitate better preparation of their proposals. In addition, attendance may facilitate the Offeror's understanding and ability to meet the State's Minority Business Enterprise (MBE) goals.

The Conference will be transcribed. A copy of the transcript of the Pre-Proposal Conference will be made available to potential Offerors at a nominal charge directly from the transcription company. The identity of the company and details of how to obtain a transcript copy will be provided at the conference. In addition, as promptly as is feasible subsequent to the Conference, a summary of the Pre-Proposal Conference and all questions and answers known at that time will be distributed, free of charge, to all prospective Offerors known to have received a copy of this RFP.

If there is a need for sign language interpretation and/or other special accommodations due to a disability, it is requested that at least five days advance notice be provided. DBM will make reasonable efforts to provide such special accommodation.

## **1.8 Use of “e-Maryland Marketplace”**

“e-Maryland Marketplace” is an electronic commerce system administered by the Maryland Department of General Services. In addition to using the DBM web site (<http://www.dbm.maryland.gov>) and other means for transmitting the RFP and associated materials, the solicitation and minutes of the pre-bid/proposal conference, Offeror questions and DBM responses, addenda, and other solicitation related information will be provided via e-Maryland Marketplace.

This means that all such information is immediately available to organizations who subscribe to e-Maryland Marketplace. Because of the instant access afforded by e-Maryland Marketplace, it is recommended that all Offerors interested in doing business with Maryland State agencies subscribe to e-Maryland Marketplace.

COMAR 21.02.03.06 requires that the successful bidder/Offeror under this solicitation pay a fee to support the operation of e-Maryland Marketplace. A copy of COMAR 21.02.03.06 can be found on the eMM website at [www.eMarylandMarketplace.com](http://www.eMarylandMarketplace.com). The successful bidder/offeror must register with e-Maryland Marketplace prior to contract award.

Whereas COMAR 21.02.06.03 includes a fee schedule which bidders/Offerors would normally use to determine what level of fee to build into their bid/offer prices, because of the indefinite, non-guaranteed level of usage under the contract that results from this solicitation, bidders/Offerors are hereby advised to include a Level "6" fee as the e-MarylandMarketplace fee.

The fee amount must be included within the rate or price of the proposal/bid and may not be quoted as a separate add-on price.

In order to receive a contract award, a vendor must be registered on e-Maryland Marketplace. Contractors shall pay the fee as provided by COMAR 21. 02.03.06 and in accordance with guidelines issued by the Maryland Department of General Services. These guidelines can be found on the e-Maryland Marketplace website at [www.eMarylandMarketplace.com](http://www.eMarylandMarketplace.com).

## **1.9 Questions**

Written questions from prospective Offerors will be accepted by the Procurement Officer prior to the pre-proposal conference. If possible and appropriate, such questions will be answered at the pre-proposal conference. (No substantive question will be answered prior to the pre-proposal conference.) Questions may be submitted by mail, facsimile, or preferably, by e-mail to the Procurement Officer. Questions, both oral and written, will also be accepted from prospective Offerors attending the Pre-Proposal Conference. If possible and appropriate, these questions will be answered at the Pre-Proposal Conference.

Questions will also be accepted subsequent to the Pre-Proposal Conference. All post-conference questions should be submitted in a timely manner to the Procurement Officer only. The Procurement Officer shall, based on the availability of time to research and communicate an answer, decide whether an answer can be given before the proposal due date. Answers to all substantive questions that have not previously been answered, and are not clearly specific only to the requestor, will be distributed to all vendors who are known to have received a copy of the RFP.

### **1.10 Proposals Due (Closing) Date**

An unbound original and seven (7) bound copies of each proposal (technical and financial) must be received by the Procurement Officer, at the address listed in Section 1.6, no later than **2:00 PM** (local time) on **Tuesday, September 13, 2005** in order to be considered. Three (3) electronic versions on CD of the Technical Proposal (in MS Excel format and WORD, as appropriate) must be enclosed with the original technical proposal. An electronic version on CD of the Financial Proposal in MS Excel format must be enclosed with the original financial proposal. Ensure that the diskettes are labeled with the RFP title, RFP number, Offeror name and packaged with the original copy of the appropriate proposal (technical or financial).

Requests for extension of this date or time will not be granted. Offerors mailing proposals should allow sufficient mail delivery time to ensure timely receipt by the Procurement Officer. Except as provided in COMAR 21.05.03.02F, proposals received by the Procurement Officer after the due date, **September 13, 2005, 2:00PM (local time)** will not be considered. Proposals may not be submitted by e-mail or facsimile.

### **1.11 Duration of Offer**

Proposals submitted in response to this RFP are irrevocable for 120 days following the closing date of proposals or of Best and Final Offers (BAFOs), if BAFOs are requested. This period may be extended at the Procurement Officer's request only with the Offeror's written agreement.

### **1.12 Revisions to the RFP**

If it becomes necessary to revise this RFP before the due date for proposals, amendments will be posted on the DBM website and e-Marylandmarketplace, and provided to all prospective Offerors who were sent this RFP or otherwise are known by the Procurement Officer to have obtained this RFP. Amendments made after the due date for proposals will be sent only to those Offerors who submitted a timely proposal.

Acknowledgment of the receipt of all amendments to this RFP issued before the proposal due date must accompany the Offeror's proposal in the Transmittal Letter accompanying the Technical Proposal submittal. Acknowledgement of the receipt of amendments to the RFP issued after the proposal due date shall be in the manner specified in the amendment notice. Failure to acknowledge receipt of amendments does not relieve the Offeror from complying with all terms of any such amendment.

### **1.13 Cancellations; Discussions**

The State reserves the right to cancel this RFP, accept or reject any and all proposals, in whole or in part, received in response to this RFP, to waive or permit cure of minor irregularities, and to conduct discussions with all qualified or potentially qualified Offerors in any manner necessary to serve the best interests of the State of Maryland. The State also reserves the right, in its sole discretion, to award a contract based upon the written proposals received without prior discussions or negotiations.

### **1.14 Oral Presentation**

Offerors may be required to make oral presentations to State representatives. Significant representations made by an Offeror during the oral presentation must be reduced to writing. All such representations will become part of the Offeror's proposal and are binding if the contract is awarded. The Procurement Officer will notify Offerors of the time and place of oral presentations. Typically, oral presentations occur approximately two to four weeks after the proposal due date.

### **1.15 Incurred Expenses**

The State will not be responsible for any costs incurred by an Offeror in preparing and submitting a proposal, in making an oral presentation, in providing a demonstration, or in performing any other activities relative to this solicitation.

### **1.16 Economy of Preparation**

Proposals should be prepared simply and economically, providing a straightforward, concise description of the Offeror's proposal to meet the requirements of this RFP.

### **1.17 Protests/Disputes**

Any protest or dispute related respectively to this solicitation or the resulting contract shall be subject to the provisions of COMAR 21.10 (Administrative and Civil Remedies).

### **1.18 Multiple or Alternative Proposals**

Neither multiple nor alternate proposals will be accepted.

### **1.19 Access to Public Records Act Notice**

An Offeror should give specific attention to the clear identification of those portions of its proposal that it considers confidential, proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Access to Public Records Act, Title 10, Subtitle 6, of the State Government Article of the Annotated Code of Maryland. (See Section 4.4.2.1)

Information, which is claimed to be confidential, is to be placed after the Title Page and before the Table of Contents in the Offeror's Technical Proposal, and if applicable, also in its Financial Proposal. Offerors are advised that, upon request for this information from a third party, the State will make an independent determination whether the information can be disclosed (see COMAR 21.05.08.01).

### **1.20 Offeror Responsibilities**

The selected Offeror/Contractor shall be responsible for all products and services required by this RFP. Subcontractors must be identified, and a complete description of their roles relative to the proposals must be included in the Proposal. The selected Offeror retains the responsibility for all work performed by and any deliverable submitted by a subcontractor. If an Offeror that seeks to perform or provide the services required by this RFP is the subsidiary of another entity, all information submitted by the Offeror such as,

but not limited to, references and financial reports, shall pertain exclusively to the Offeror, unless the parent organization will guarantee the performance of the subsidiary. If applicable, the Offeror's proposal must contain an explicit statement that the parent organization will guarantee the performance of the subsidiary. Additional information regarding MBE subcontractors is provided in paragraph 1.24 below, Section 4.4.5, and Exhibit D.

### **1.21 Mandatory Contractual Terms**

By submitting an offer in response to this RFP, an Offeror, if selected for award, shall be deemed to have accepted the terms of this RFP and the Contract, attached as **Attachment A**. Any exceptions to this RFP or the Contract must be clearly identified in the Executive Summary of the technical proposal. A proposal that takes exception to these terms may be rejected. (See Section 4.4.2.2)

### **1.22 Proposal Affidavit**

A proposal submitted by an Offeror must be accompanied by a completed Bid/Proposal Affidavit. A copy of this Affidavit is included as **Attachment B** of this RFP.

### **1.23 Contract Affidavit**

All Offerors are advised that if a contract is awarded as a result of this solicitation, the successful Offeror will be required to complete a Contract Affidavit. A copy of this Affidavit is included for informational purposes as **Attachment C** of this RFP. This Affidavit must be provided with the signed contract after notification of proposed contract award.

### **1.24 Minority Business Enterprises**

A minority business enterprise subcontractor participation goal of two percent (2%) has been established for this procurement. The contractor shall structure its awards of subcontracts under the contract in a good faith effort to achieve the goals in such subcontract awards by businesses certified by the State of Maryland as minority owned and controlled. MBE requirements are specified in **Attachment D** of this RFP. Subcontractors used to meet the minority business enterprise goal of this RFP must be identified in the Offeror's proposal.

*Questions or concerns regarding the MBE requirements of this solicitation must be raised before the opening of bids or receipt of initial proposals.*

Attachments D-1 and D-2 **must** be submitted with each Offerors proposal. Failure to submit these completed attachments **will** eliminate an Offeror from further consideration.

A current directory of MBEs is available through the Maryland State Department of Transportation, Office of Minority Business Enterprise, P. O. Box 8755, B.W.I. Airport, Maryland 21240-0755. The phone number is 410-865-1244. The directory is also available at <http://www.mdot.state.md.us>. Select the MBE Program label. The most current and up-to-date information on MBEs is available via the web site.

### **1.25 Arrearages**

By submitting a response to this solicitation, each Offeror represents that it is not in arrears in the payment of any obligations due and owing the State of Maryland, including the payment of taxes and

employee benefits, and that it shall not become so in arrears during the term of the contract if selected for contract award.

### **1.26 Procurement Method**

This contract will be awarded in accordance with the competitive sealed proposals process under COMAR 21.05.03.

### **1.27 Verification of Registration and Tax Payment**

Before a corporation can do business in the State of Maryland it must be registered with the Department of Assessments and Taxation, State Office Building, Room 803, 301 West Preston Street, Baltimore, Maryland 21201. It is strongly recommended that any potential Offeror complete registration prior to the due date for receipt of proposals. An Offeror's failure to complete registration with the Department of Assessments and Taxation may disqualify an otherwise successful Offeror from final consideration and recommendation for contract award.

### **1.28 False Statements**

Offerors are advised that section 11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland provides as follows:

- (a) In connection with a procurement contract a person may not willfully:
  - (1) falsify, conceal, or suppress a material fact by any scheme or device;
  - (2) make a false or fraudulent statement or representation of a material fact; or
  - (3) use a false writing or document that contains a false or fraudulent statement or entry of a material fact.
- (b) A person may not aid or conspire with another person to commit an act under subsection (a) of this section.
- (c) A person who violates any provision of this section is guilty of a felony and on conviction is subject to a fine not exceeding \$20,000 or imprisonment not exceeding 5 years or both.

### **1.29 Electronic Funds Transfers**

By submitting a response to this solicitation, the Bidder/Offeror agrees to accept payments by electronic funds transfer unless the State Comptroller's Office grants an exemption. The selected Bidder/Offeror shall register using the Attachment F: COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form. Any request for exemption must be submitted to the State comptroller's Office for approval at the address specified on the COT/GAD X-10 form and must include the business identification information as stated on the form and include the reason for the exemption.

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## **SECTION 2 – OFFEROR MINIMUM QUALIFICATION**

Please refer to the first tab of the Excel portion of this RFP for the required minimum qualification and verification.

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## SECTION 3 – SCOPE OF WORK

### 3.1 Description of Long Term Care Plan

The State of Maryland currently offers voluntary Long Term Care Insurance (LTC) coverage to all active State employees, Satellite Account employees, State retirees and their family members, including spouses, dependent children, adult children, siblings, parents (in-laws included) and grandparents (in-laws included). Active State employees their spouses and their dependent children (see 1.2g) have their premiums payroll deducted. The current carrier directly bills Eligible State retirees and all other family members. Premiums for Satellite Account employees are submitted to DBM and then forwarded to the current carrier.

Currently, employees are medically underwritten with the exception of newly hired active employees who enroll during their initial 60-day eligibility period. Medical underwriting is also required for enrollment in the LTC plan for retirees and family members of active employees and retirees. The current plan had a guaranteed issue open enrollment for actively-at-work employees during the initial offering in 1999, and a subsequent guaranteed issue open enrollment for actively-at-work employees in early 2000.

The following is a summary of the current plan choices:

The Plan Choices				
<b>Facility Benefit Duration</b> 3 years or 6 years				
<b>Facility Monthly Benefit Amount</b> \$2,500 or \$3,000 or \$4,500 or \$6,000				
Plans	Plan 1	Plan 2	Plan 3	Plan
Long Term Care Facility	100%	100%	100%	100%
Assisted Living Facility	100%	100%	100%	100%
Professional Home Care	50%	50%	50%	50%
Nonforfeiture	N/A	Yes	N/A	Yes
Compound Inflation	N/A	N/A	Yes	Yes

The LTC plan is currently offered through UnumProvident Corporation. The table below shows current enrollment by participant type.

Participant Type	Enrollment @ 6/05
Employees	1,237
Spouses	325
Retirees	121
Retiree Spouses	65
Parents	31
Siblings	7
Children	7
<b>Total</b>	<b>1,793</b>

Deductions for those participants eligible for payroll deduction are taken from employee’s paychecks for 24 of the 26 pays for bi-weekly employees, 12 of the 12 pays for monthly employees and 19 of the 21 pays for ten-month employees.

The LTC insurance coverage plan anniversary dates are from July 1 through June 30 of the calendar year, to coincide with the State’s fiscal year.

**3.2. Background**

The State provides an expansive range of employee benefit plans to approximately 70,000 active employees, 32,000 retirees, 2,500 Satellite Account Employees, 1,500 Direct Pay Enrollees, and their covered dependents. Benefit plans include health (including behavioral health), dental, group term life, accidental death and dismemberment, flexible spending accounts, prescription drugs, and long term care.

These benefits are offered to a diverse workforce that includes clerical, administrative, technical, professional, maintenance, educational (State colleges and universities) and public safety employees, and appointed and elected officials at more than 250 different worksites.

Due to the large number of State employees, diverse population and numerous employee work locations, the State sponsors annual Benefit Fairs during each annual enrollment period. During the last enrollment period for which Benefit Fairs were held, the State conducted approximately 100 Benefit Fairs throughout the State.

**3.3 Project Milestones and Due Dates**

Following are the high level milestones and the State’s desired due dates, where applicable:

<b>Milestone</b>	<b>Date</b>
3.3.1 Begin implementation meetings	Upon contract award
3.3.2 Completion of draft communications materials presented to the State for review	January - February
3.3.3 Benefit Coordinator Training Session (for each plan year)	March - April
3.3.4 Attend <u>all</u> Open Enrollment Benefit Fairs	April – June
3.3.5 Effective Date of Insurance Coverage	July 1, 2006

The services in 3.3.2, 3.3.3 and 3.3.4 must be provided before each plan year.

**3.4 Description of Scope of Work**

The State is soliciting proposals for one vendor to provide voluntary group Long Term Care insurance. The selected contractor is to provide a responsive, efficient, auditable, service-oriented system that will permit all eligible members to obtain group long term care insurance for themselves and/or their designated family members subject to the terms, conditions and requirements of this RFP.

**The successful Offeror will be responsible for all enrollment functions associated with plan enrollment.** All enrollment applications will be forwarded directly to the successful Offeror, who will process all enrollment applications, including review of the applications, determination of medical evidence of insurability, and all premium calculations. The successful Offeror will transmit the applicable premium deduction calculations for Active Regular System and University of MD System employees to the Department of Budget and Management Application Systems Management (DBM/ASM) in the prescribed format required by the Central Payroll Bureau on a bi-weekly basis.

DBM/ASM will then transmit the premium deduction files, one for Regular System employees and one for University of MD system employees, to the Central Payroll Bureau.

The Central Payroll Bureau will then transmit the premium deduction files to the successful Offeror immediately subsequent to the payroll processing on a bi-weekly basis.

The Central Payroll Bureau will also generate a Long Term Care Error Report for the successful Offeror that will identify enrolled employees missing the applicable bi-weekly deductions.

The vendor who is awarded the contract pursuant to this RFP will be required to provide insurance coverage with an effective date of coverage beginning July 1, 2006, and begin the necessary implementation services in early 2006.

The sections of the Excel-based portions of this RFP (Attachment G) describe and contain the majority of the Scope of Work for this contract. All required signatures, explanations and attachments must be included in the Offeror's proposal.

### **3.5 Technical Proposal**

For the remaining sections, the RFP contains an Excel files (Attachment "G"), labeled "LTC Technical Response.xls", containing response pages and supporting data to complete a response, summarized as follows:

<b>Section</b>		<b>Tab Name</b>	<b>File Name</b>
<b>Response Pages</b>			
Attachment G-1:	Offeror Qualification	Offeror Qualification	LTC Technical Response.xls
Attachment G-2:	Introduction	Introduction	LTC Technical Response.xls
Attachment G-3:	Plan Information	Plan Information	LTC Technical Response.xls
Attachment G-4:	Explanation	Explanation	LTC Technical Response.xls
Attachment G-5:	Plan Design	Plan Design	LTC Technical Response.xls
Attachment G-6:	Compliance Checklist	Comp Chklist	LTC Technical Response.xls
Attachment G-7:	Questionnaire	Questionnaire	LTC Technical Response.xls
Attachment G-8:	Subcontractors Questions	Subcontractor Questions	LTC Technical Response.xls
Attachment G-9:	Implementation Plan	Implementation	LTC Technical Response.xls

	<b>Section</b>	<b>Tab Name</b>	<b>File Name</b>
Attachment G-10	Account Management Plan	Acct Manage	LTC Technical Response.xls
Attachment G-11	Maryland Benefits	MD Benefits	LTC Technical Response.xls

The files are in Microsoft Excel 2000 (.xls) format and have been compressed to a self-extracting ZIP (.zip) file using WinZip.

Please note that the majority of the questions have been structured to elicit “Yes” or “No” responses, except where otherwise noted.

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## SECTION 4 – PROPOSAL FORMAT

### 4.1 Two Part Submission

Offerors must submit proposals in two **separate** volumes:

- “Volume I – (TECHNICAL PROPOSAL)”
- “Volume II – (FINANCIAL PROPOSAL)”

### 4.2 Proposals

Volume I-Technical Proposal must be **sealed separately** from Volume II-Financial Proposal but submitted simultaneously to the Procurement Officer (address listed on Key Information Summary and in Section 1.6). This is the only address to which proposals may be submitted. An unbound original, so identified, and **seven (7)** bound copies of each volume are to be submitted. Hard copies must be a complete proposal containing all information contained on the CDs. Offerors must attach to the original Technical Proposal three (3) separate CDs containing an electronic version of Volume I- Technical Proposal (in MS Excel format and WORD, as appropriate). Offerors must also attach to the original Financial Proposal three (3) separate CDs containing an electronic version of the Volume II- Financial Proposal (in MS Excel format). Please note, the Offeror must provide separate CDs for the Technical Proposal and the Financial Proposal, resulting in 6 CDs attached to the proposal. The CDs containing the electronic responses should be placed in separate envelopes labeled “Offeror Response Diskettes – Volume “X” (“X” is Volume I or Volume II, as appropriate).

### 4.3 Submission

Each Offeror is required to submit a separate sealed package for each Volume, which are to be labeled “Volume I-Technical Proposal” and “Volume II-Financial Proposal”. Each sealed package must bear the RFP title and number, name and address of the Offeror, the volume number (I or II), and the closing date and time for receipt of the proposals on the outside of the package. Please label the electronic media with Volume I-Technical Proposal and Volume II-Financial Proposal, as appropriate.

All pages of both proposal volumes must be consecutively numbered from beginning (Page 1) to end (Page “x”).

### 4.4 Volume I – Technical Proposal

#### 4.4.1 Transmittal Letter

A transmittal letter must accompany the technical proposal. The purpose of this letter is to transmit the proposal and acknowledge the receipt of any addenda. The transmittal letter should be brief and signed by an individual who is authorized to commit the Offeror to the services and requirements as stated in this RFP.

## 4.4.2 Format of Technical Proposal

Technical proposals must be submitted in a separate sealed package labeled "Volume I - Technical Proposal" and must bear the name and address of the Offeror, the name and number of the RFP and the closing date for proposals on the outside of the package. Inside this package an unbound original, to be so labeled, **seven (7)** copies, and three (3) electronic copies (in MS Excel format and WORD, as appropriate) on 3 separate CDs in a separate envelope labeled as described in Section 4.2, shall be provided. The technical proposal shall include:

### 4.4.2.1 Title and Table of Contents

The technical proposal should begin with a title page bearing the name and address of the Offeror and the name and number of this RFP. This should be followed by a table of contents for the technical proposal. Information, which is claimed to be confidential, is to be identified after the Title Page and before the Table of Contents in the Offeror's Technical Proposal, and if applicable, also in its Financial Proposal.

### 4.4.2.2 Executive Summary

The Offeror shall condense and highlight the contents of the technical proposal in a separate section titled "Executive Summary" including how the Offeror meets the minimum qualification outlined in Section 2.1. The summary shall also identify any exceptions the Offeror has taken to the requirements of this RFP, the contract (**Attachment A**), or any other attachments. Offeror shall include a signed Bid/Proposal Affidavit (**Attachment B**).

WARNING: Exceptions to terms and conditions of the RFP, the contract, or any other attachment may result in having the proposal deemed unacceptable or classified as not reasonably susceptible of being selected for award.

### 4.4.2.3 Response to Excel RFP

Offeror's **Volume I – Technical Proposal** (hard copy) must be submitted in the following format:

<u>Technical Proposal Tab Name</u>	<u>Section Name Corresponding to Excel-based portion of the RFP</u>
Attachment G-1:	Offeror Qualification
Attachment G-2:	Introduction
Attachment G-3:	Plan Information
Attachment G-4:	Explanation to "No" answers
Attachment G-5:	Current LTC Plan Design
Attachment G-6:	Compliance Checklist
Attachment G-7:	Questionnaire
Attachment G-8	Subcontractor Questions
Attachment G-9	Implementation Plan
Attachment G-10	Account Management Plan
Attachment G-11	Maryland Benefits
Attachment G-12:	Management Reporting Package
Attachment G-13:	Annual Reports
Attachment G-14:	Financial Statements
Attachment G-15:	Plan Forms
Attachment G-16:	Communication Package
Attachment G-17:	Draft Plan Description
Attachment G-18:	Appeals Protocols

In addition, the Offeror must provide electronic responses for each listed attachment on a CD, using the Excel files provided in the RFP.

#### **4.4.3 Financial Capability and Statements**

The Offeror shall provide evidence that the Offeror has the financial capacity to provide the services by providing copies of the last two (2) year end financial statements (independently audited preferred). The financial statements must be for the entity proposing to provide services under this contract and not for any prospective owners or parent companies not directly involved in the provision of services.

#### **4.4.4 Economic Benefit Factors**

1) The Offeror shall describe the benefits that will accrue to the State of Maryland economy as a direct or indirect result of the Offeror's performance of the contract resulting from this RFP. The Offeror will take into consideration the following elements. **(Do not include any detail of the financial proposal with this technical information):**

- a. The estimated percentage of contract dollars to be recycled into Maryland's economy in support of the contract, through the use of Maryland subcontractors, suppliers and joint venture partners. Offerors should be as specific as possible and provide a percentage breakdown of expenditures in this category.
- b. The estimated number and types of jobs for Maryland residents resulting from this contract. Indicate job classifications, number of employees in each classification, and the aggregate Maryland payroll percentages to which the contract has committed at both prime and, if applicable, subcontract levels.
- c. Tax revenues to be generated for Maryland and its political subdivisions as a result of this contract. Indicate tax category (sales tax, inventory taxes and estimated personal income taxes for new employees). Provide a forecast of the total tax revenues resulting from the contract.
- d. The estimated percentage of subcontract dollars committed to Maryland small businesses and MBEs.

2) In addition to the factors listed above, the Offeror should explain any other economic benefit to the State of Maryland that would result from the Offeror's proposal.

#### **4.4.5 Subcontractors**

Offerors must identify subcontractors and the role these subcontractors will have in the performance of the contract. The Offeror should include responses to the Subcontractor Questions for each subcontractor disclosed. MBE subcontractors must also be identified in the Proposal and each Subcontractor question must be answered with regard to each MBE.

Offerors must submit completed and fully executed attachments D-1 and D-2 with their technical proposals.

## 4.5 Volume II - Financial Proposal

Under separate sealed cover from the Technical Proposal and clearly identified with the same information noted on the Technical Proposal, the Contractor must submit an original unbound copy, **seven (7)** bound copies, and three (3) electronic copies (in MS Excel format on 3 separate CDs) in a separate envelope labeled as described in Section 4.2, of the Financial Proposal. The Financial Proposal must contain all cost information in the format specified in **Attachment H** and its related Exhibits. Complete the cost sheets only as provided in the Price Proposal Instructions on the Cover Page tab.

All Premium rates must be quoted on a fully loaded basis, i.e., fees must include all direct and indirect costs, general and administrative overhead, purchasing burden and profit. No other fees or charges may be added to the contract after award, nor will the contractor be compensated on any basis other than the applicable fully loaded Premium rate.

The RFP contains an Excel file for **Attachment H**, labeled “LTC Financials.xls”, containing instructions, response pages, and historical enrollment and claims information. Offeror’s **Volume II – Financial Proposal** (hard copy) must be submitted in the format specified below.

<u>Financial Proposal Tab Name</u>	<u>Section Name Corresponding to Excel-based Attachment M</u>
Attach H-1	Financial Proposal Instructions
Attach H-2	Long Term Care Enrollment Detail by plan type
Attach H-3	Financial Compliance Checklist
Attach H-4	Financial Compliance Checklist - Explanation
Attach H-5	Premium Rate Schedules
Attach H-6	Projected Aggregate Premium Spreadsheets
Attach H-7	Total Projected Aggregate Premium for All Plans Premium Rate Schedules

The files are in Microsoft Excel 2000 (.xls) format and have been compressed to a self-extracting ZIP (.zip) file using WinZip.

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# SECTION 5 – EVALUATION CRITERIA AND SELECTION PROCEDURE

## 5.1 Evaluation Criteria

Evaluation of the proposals will be performed by a committee organized for that purpose. Evaluations will be based on the criteria set forth below.

## 5.2 Technical Criteria

The criteria to be applied to each technical proposal are listed in descending order of importance:

1. Capability
  - a. Capacity to deliver services
  - b. Experience in providing Long Term Care insurance
  - c. Past performance on similar contracts
  - d. History and Structure
  - e. Comprehensive IT support for all functions
  
2. Program Administration
  - a. Enrollment services
  - b. Client services including general administration and compliance
  - c. Participant services including enrollment, education and communications services
  
3. Plan Design
  
4. Implementation and Account Management
  
5. Maryland Economic Impact

## 5.3 Financial Criteria

All qualified Offerors will be ranked from the lowest to the highest total aggregate premium based on the financial proposal evaluation as outlined in the Financial RFP using the premium rates quoted by the Offerors in Attachment H-7.

## 5.4 Reciprocal Preference

Although Maryland law does not authorize procuring agencies to favor resident Offerors in awarding procurement contracts, many other states do grant their resident businesses preferences over Maryland contractors. Therefore, as described in COMAR 21.05.01.04, a resident business preference will be given if: a responsible Offeror whose headquarters, principal base of operations, or principal site that will primarily provide the services required under this RFP is in another state submits the most advantageous offer; the other state gives a preference to its residents through law, policy, or practice; and, the preference does not conflict with a Federal law or grant affecting the procurement contract.

The preference given shall be identical to the preference that the other state, through law, policy or practice gives to its residents.

## **5.5 Selection Procedures**

### **5.5.1 General Selection Process**

The contract will be awarded in accordance with the competitive sealed proposals process under Code of Maryland Regulations 21.05.03. The competitive sealed proposals method is based on discussions and revision of proposals during these discussions.

Accordingly, the State may hold discussions with all Offerors judged reasonably susceptible of being selected for award, or potentially so. However, the State also reserves the right to make an award without holding discussions. In either case of holding discussions or not doing so, the State may determine an Offeror to be not responsible and/or an Offeror's proposal to be not reasonably susceptible of being selected for award, at any time after the initial closing date for receipt of proposals and the review of those proposals. If the State finds an Offeror to be not responsible and/or an Offeror's technical proposal to be not reasonably susceptible of being selected for award, an Offeror's financial proposal will be returned unopened.

### **5.5.2 Selection Process Sequence**

- 1) The first step in the process will be to assess compliance with the Offeror Minimum Qualification set forth in Section 2 of the RFP. Offerors who fail to meet this basic requirement will be disqualified and their proposals eliminated from further consideration.
- 2) The next level of review will be an evaluation for technical merit. During this review oral presentations and discussions may be held. The purpose of such discussions will be to assure a full understanding of the State's requirements and the Offeror's ability to perform, and to facilitate arrival at a contract that will be most advantageous to the State. For scheduling purposes, Offerors should be prepared to make an oral presentation and participate in discussions within two to four weeks of the delivery of proposals to the State. The Procurement Officer will contact Offerors when the schedule is set by the State.
- 3) Offerors must confirm in writing any substantive oral clarification of, or change in, their proposals made in the course of discussions. Any such written clarification or change then becomes part of the Offeror's proposal.
- 4) The financial proposal of each qualified Offeror will be evaluated separately from the technical evaluation. After a review of the financial proposals of qualified Offerors, the Procurement Officer may again conduct discussions.
- 5) When in the best interest of the State, the Procurement Officer may permit Offerors who have submitted acceptable proposals to revise their initial proposals and submit, in writing, best and final offers (BAFOs).

### **5.5.3 Award Determination**

Upon completion of all discussions and negotiations, reference checks, and site visits, if any, the Procurement Officer will recommend award of the contract to the responsible Offeror(s) whose proposal is determined to be the most advantageous to the State considering technical evaluation factors and price factors as set forth in this RFP. In making the most advantageous Offeror determination, technical factors will be given greater weight than price factors.